



U.S.-KOREA TRADE AGREEMENT

West Virginia Farmers Will Benefit

December 2010

The U.S.-Korea Trade Agreement, known as the KORUS agreement, will immediately eliminate duties on nearly two-thirds of current U.S. agricultural exports to Korea and gives U.S. exporters improved access to the Korean market for many products that have been highly protected. The U.S. International Trade Commission estimates that annual U.S. agricultural exports to Korea will increase by a minimum of \$1.9 billion upon full implementation of the agreement.

The KORUS agreement eliminates tariffs and other barriers on most agricultural products, increasing export opportunities for a range of West Virginia agricultural products, including poultry, beef, and dairy. West Virginia's agricultural exports to all countries, estimated at \$67 million in 2009, supported about 540 jobs both on and off the farm. These export sales make an important contribution to the West Virginia farm economy, which had total cash receipts of \$496 million in 2009.

Poultry Products. With farm cash receipts of \$151 million in 2009, broilers are West Virginia's leading agricultural industry accounting for 30.5 percent of total farm earnings. Turkey production accounted for another 9.4 percent with cash receipts of \$46 million. The state's poultry and poultry product exports were estimated at \$32 million. Among the KORUS agreement's benefits to West Virginia's poultry producers and processors:

- Korea's tariffs of 18-27 percent on frozen leg quarters, frozen breasts and wings, and frozen turkey cuts, will be phased out in 7-12 years.
- As the number two market for U.S. egg products, Korea's tariffs of 27 percent on egg products, including egg yolks, will be phased out in 12 equal annual reductions.

Cattle and Beef. Farm cash receipts for cattle and beef totaled \$132 million in 2009. Under the KORUS agreement:

- For beef muscle meats, the KORUS agreement provides a 15-year straight-line tariff phase out of the 40 percent tariff reaching duty-free access in Year 15.
- For beef offals and variety meats, the KORUS agreement provides a 15-year straight-line phase out of the 18 percent tariff reaching duty-free access in Year 15.

Selected Agricultural Product Exports For FY 2009 (Oct. 2008-Sept. 2009)		
Product	U.S. to World	West Virginia to World
Beef	\$6,703,000,000	\$3,000,000
Poultry	\$4,850,000,000	\$32,000,000
Agricultural Total	\$96,632,000,000	\$67,000,000

Compiled by ERS using data from Census Bureau, Commerce and NASS.

Note: All State export figures used herein are estimated on a fiscal year basis (October-September) by USDA's Economic Research Service (ERS); all State cash receipt figures are compiled by USDA's National Agricultural Statistics Service (NASS) and ERS on a calendar year basis.

For questions about the U.S.-Korea Trade Agreement and its impact on U.S. agriculture, please contact FAS Legislative and Public Affairs at (202)720-7115 or LPA@fas.usda.gov.